



WEEKLY HIGHLIGHTS

Oct. 28, 2010

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The next
release is
November 4, 2010

[Fast-paced Harvest Continues; Soybeans and Corn Nearing End of Harvest](#)

As of October 24, the soybean harvest is 91 percent complete—19 percentage points ahead of the average pace. The corn harvest is 83 percent complete—34 points ahead of average. Every State is ahead of its own corn harvest average pace. The corn harvest is between 55 to 77 percent complete in North Dakota, South Dakota, Colorado, Nebraska, Michigan, and Minnesota, all of which are typically late harvesting States.

[Rail Loadings of Grain Highest Since 2007](#)

Strong demand for U.S. grain and high grain prices, which have encouraged farmers to sell crops, have boosted railcar loadings to the highest level since the week ending November 3, 2007. U.S. railroads originated 27,747 carloads of grain during the week ending October 16, up 13.6 percent from last week, 20.5 percent from last year, and 9.9 percent higher than the 3-year average.

[U.S. Soybean Inspections Up](#)

For the week ending October 21, total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions reached 2.79 million metric tons (mmt), down 2 percent from the previous week but up 24 percent higher than last year. Soybean inspections (1.75 mmt), up 12 percent from the past week, were the highest since November 19, 2009 (2.15 mmt). Exports to China accounted for about 75 percent of total soybeans inspected for the week. Wheat inspections (.581 mmt) increased about 2 percent from the past week, after reductions during the last two weeks. Corn inspections continued to drop for the third consecutive week, partly due to strong soybean exports and price signals reflected in the futures contracts, indicating an incentive for farmers to sell soybeans sooner and corn later in the crop year. These price signals are often referred to as “carry”—the price of subsequent futures contracts trading at progressively higher price levels.

[DOT TIGER Grants Benefit Grain Rail Lines](#)

Two grain rail lines have been awarded Transportation Investment Generating Economic Recovery (TIGER) grants by the U.S. Department of Transportation. The South Dakota Department of Transportation will receive \$16 million towards reconstruction of a State-owned branch line from Mitchell to Chamberlain, SD, to allow the use of heavier railcars. Another TIGER grant in the amount of \$10 million was awarded to the Port of Vancouver in Washington towards a \$92.8 million construction project that will create direct freight rail entry and exit from the port. Forty states will share nearly \$600 million in this round of TIGER grants; of this amount, more than \$140 million is reserved for projects in rural areas.

[Grain Exports Rebound in Great Lakes Regions](#)

Year-to-date grain exports through the Great Lakes and St. Lawrence Seaway have rebounded this year. This is due in part to Russia’s ban on grain exports that started in August and will last through July 2011, which increased demand for wheat from Europe, and North Africa. Favorable transportation costs and increased iron ore and steel imports have also help boost grain shipments through the region. According to USDA/GIPSA, calendar year-to-date inspections of corn, wheat, and soybeans through the Great Lakes and St. Lawrence combined are up 34 percent from the last year, at 2.0 mmt. Wheat accounted for 80 percent of total grain inspected for export from the region.

Snapshots by Sector

Rail

During the week ending October 23, average November non-shuttle **secondary railcar bids/offers** were \$179 above tariff, down \$88 from last week. Average shuttle rates were \$225 below tariff, down \$592 from last week.

Ocean

During the week ending October 21, 57 **ocean-going grain vessels** were loaded in the U.S. Gulf, up 43 percent from last year. Sixty-seven vessels are expected to be loaded in the Gulf within the next 10 days, up 5 percent from last year.

During the week ending October 22, the cost of shipping grain from the Gulf to Japan averaged \$59 per mt, unchanged from the previous week. The rate from the Pacific Northwest to Japan was \$32.50 per mt, up 2 percent from the previous week.

Barge

During the week ending Oct 23, **barge grain movements** totaled 769,872 tons, 24 percent lower than the previous week but 27 percent higher than the same period last year.

Fuel

During the week ending Oct 25, U.S. average **diesel fuel prices** were \$3.07 per gallon—relatively unchanged from the previous week, but 9.5 percent higher than the same week last year.

Grain Transportation Update

Grain transportation volume during the fourth quarter of 2010 is expected to be robust because of high crop prices, near-record corn and record soybean harvests, and strong export demand, and could challenge transportation capacity periodically. Crop prices are unusually high, which could encourage farmers to sell more grain than usual during harvest. Not only has the U.S. harvest started several weeks earlier than normal, but this year's harvest pace has progressed unusually rapidly, which could place a strain on elevator capacity and result in transportation demand being compressed into a shorter time. Summer drought and wild fires in Russia, lower grain production in Europe, and a falling value of the U.S. dollar have led to increased demand for U.S. grain.

Grain Storage Capacity Will Be Stretched By Harvest

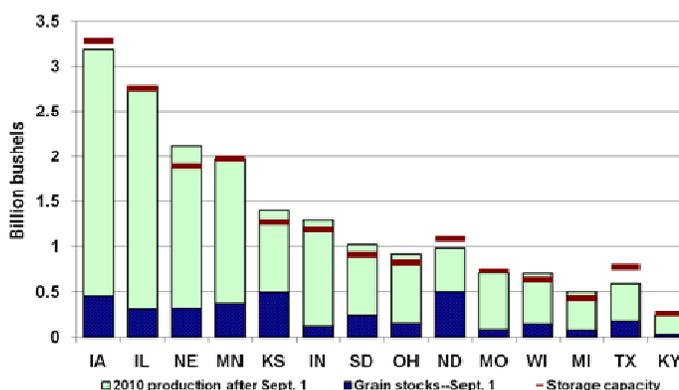
Temporary and emergency grain storage methods are expected to be needed in the States of Nebraska (231 mil. bu.), Kansas (124 mil. bu.), Indiana (103 mil. bu.), South Dakota (103 mil. bu.), Ohio (87 mil. bu.), Wisconsin (66 mil. bu.), and Michigan (67 mil. bu.).

Lower Corn Production but Higher Grain Exports and Domestic Use

In its October World Agricultural Supply and Demand Estimates (WASDE) report, USDA projected the 2010/11 production of major grains (corn, wheat, and soybeans) to be 2.1 percent lower than the previous year. The decrease in the projected corn production, based on lower yields, more than offset the increases in soybean and wheat production (see table). Total exports of the major grains are projected to increase by 9.3 percent from the previous year. This is based in part on continued strong Chinese demand for U.S. soybeans, reduced soybean export availability in Argentina, and the grain export ban in Russia and Ukraine. The 2.5 percent increase in domestic use is lower than last year's increase as the growth in use of corn for ethanol tapers off to 4.7 billion bushels in 2010/11—just 3 percent higher than in 2009/10.

The supply and demand dynamics that impact commodity prices are reflected best in the projected ending stocks-to-use ratio. The projected 2010/11 wheat and corn ending stocks-to-use ratio are 13 and 6 percentage points lower than they were in 2009/10. Corn and soybean prices, as reflected in the futures contracts, increased significantly during the weeks following the October 8 WASDE report, primarily based on the supply and demand fundamentals. Transportation demand may be strong this fall based on the fact that grain prices are higher and farmers may be taking advantage of marketing their grain at harvest. However, the higher carries in corn than in soybean futures indicate that demand for corn maybe deferred to later months, thus transportation demand maybe stronger for soybeans in the near-term and deferred to later months for corn.¹

Grain Production, Stocks and Storage Capacity



Sources: Crop Production, USDA, Oct. 8, 2010; Grain Stocks, US DA, Sept. 30 and Jan. 12, 2010.

Major Grains: Production and Use, October 2010 WASDE, million bushels					
	Corn	Soybeans	Wheat	Total	Y/Y
<i>2010/11 (Projected)</i>					
Production	12,664	3,408	2,224	18,296	-2.1%
Exports	2,000	1,520	1,250	4,770	9.3%
Domestic Use	11,480	1,785	1,196	14,461	2.5%
Ending Stocks/Use	7%	8%	35%		
<i>2009/10 (Estimated)</i>					
Production	13,110	3,359	2,218	18,687	6.4%
Exports	1,987	1,498	881	4,366	5.4%
Domestic Use	11,105	1,825	1,173	14,103	7.1%
Ending Stocks/Use	13%	4%	48%		
<i>2008/09</i>					
Production	12,092	2,967	2,499	17,558	
Exports	1,849	1,279	1,015	4,143	
Domestic Use	10,198	1,768	1,206	13,172	
Ending Stocks/Use	14%	5%	29%		

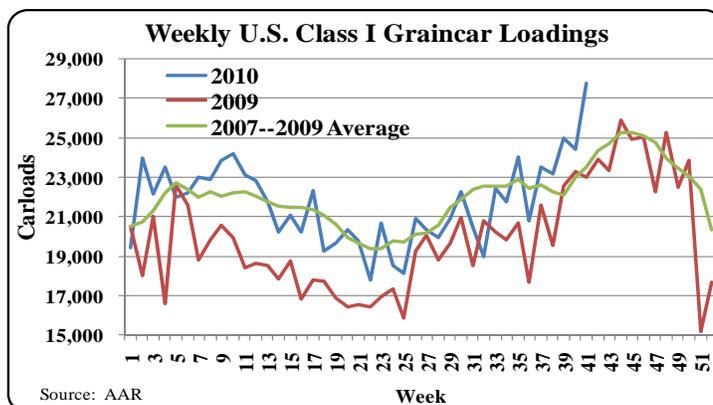
¹**Carry:** The price structure of a particular market when subsequent contracts trade at a progressively higher level (i.e., the first deferred contract is priced higher than the nearby contract). The carry is influenced primarily by supply-and-demand conditions and is indicative of a market that is offering an incentive to someone (producers or commercial elevators) to hold grain for future use or sale. For example: December corn is priced at \$5.95, March corn is priced at \$6.15, May corn is priced at \$6.25 and so on.

Ocean Freight Rates Below 4-year average

As of October 22, the rate for shipping grain from the U.S. Gulf to Japan was \$59 per mt, and from Pacific Northwest to Japan was \$32.50 per mt. These rates are below their 4-year averages. The rates are kept relatively low by the continuing supply of new bulk vessels and a weak demand for bulk shipments. The rates are likely to remain moderate through the harvest period because more vessels are scheduled for delivery before the end of the year.

Rail Grain Car Loadings Stronger in 2010

Class I railroad grain car loadings have been above 2009, but generally below the 2007–09 average. For the first 41 weeks of 2010, grain car loadings are up 13 percent (889,271 railcars compared to 787,049) from the same period in 2009, but 0.4 percent lower than the 2007–09 average (892,590). Due to the large 2009/10 grain and oilseeds crop, robust exports, and high crop prices, railcar loadings for the next 3 months are expected to be close to those of 2007.

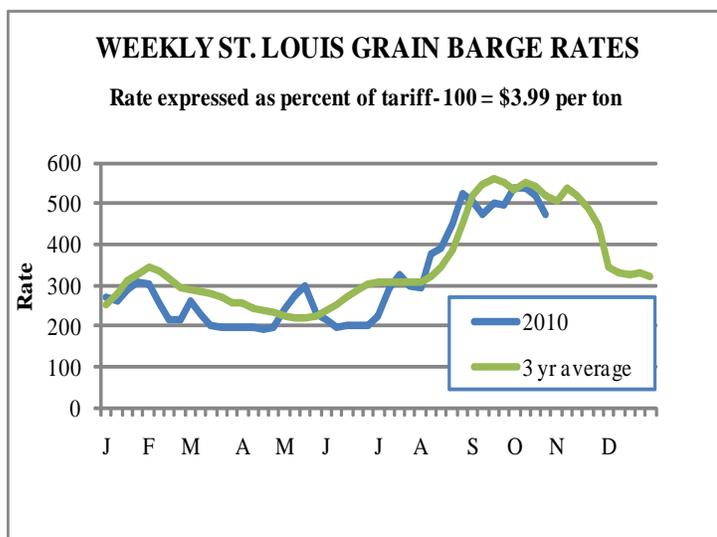


Average Diesel Fuel Prices Forecast to Continue Upward Trend

During the 3rd Quarter, U.S. on-highway diesel fuel prices averaged \$2.94 per gallon, 3 percent lower than the previous quarter, but 13 percent higher than last year. However, during October, prices have increased to \$3.07 per gallon, up 13 cents in the first 3 weeks of the month. Pressure from the increase in crude oil prices has caused diesel prices to rise. Since the end of September, crude prices have increased from near \$76 per barrel to over \$80 per barrel. According to the Energy Information Administration’s (EIA) latest Short-Term Energy Outlook, on-highway diesel fuel prices, which averaged \$2.46 per gallon in 2009, will average \$2.96 per gallon in 2010. EIA also forecasts distillate fuel consumption in 2010 to increase by 2.7 percent and continue to grow in the longer term, averaging 1.6 percent per year in growth from 2010 to 2015.

Barge Rates Below Average Most of the Year

Weekly barge rates for grain shipped from St. Louis to New Orleans have been below average for most of the year except for brief periods in May and August. Year-to-date barge volumes have been about the same this year as last year. Rates have increased in the Minneapolis-St. Paul area during October as high water in that area delayed some barge shipments during the beginning of the month. Rates in Minneapolis-St. Paul peaked at over 700 percent of tariff (100 = \$6.19 per ton for that area) during mid-October. However, by the end of October, rates have begun to decrease in all reported locations.



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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
10/27/10	206	274	273	264	230
10/20/10	206	362	307	264	227

¹Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = nearby secondary rail market (\$/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

²The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads (\$/bushel)

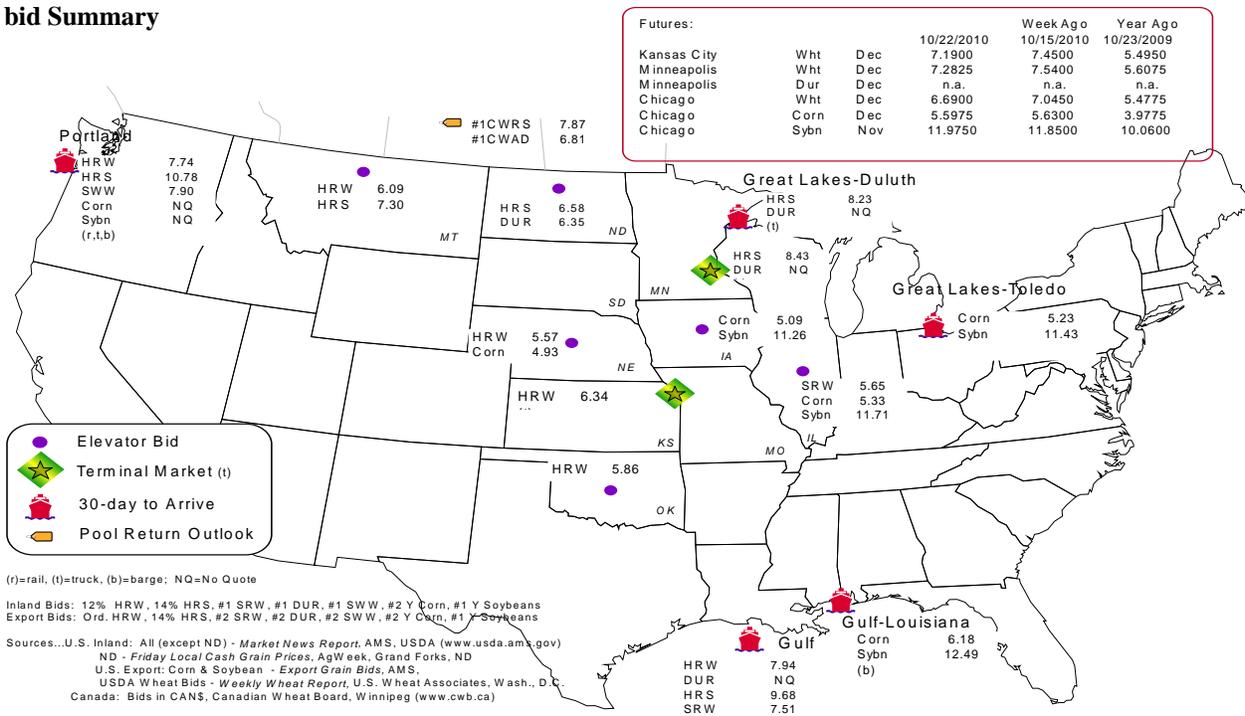
Commodity	Origin--Destination	10/22/2010	10/15/2010
Corn	IL--Gulf	-0.85	-0.78
Corn	NE--Gulf	-1.25	-1.18
Soybean	IA--Gulf	-1.23	-1.34
HRW	KS--Gulf	-1.60	-1.69
HRS	ND--Portland	-4.20	-3.95

Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain bid Summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)¹

Week ending	Mississippi		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
10/20/2010 ^P	2,094	2,095	681	4,667	1,121	10,658
10/13/2010 ^r	1,548	2,056	526	5,633	926	10,689
2010 YTD	19,613	62,429	35,416	136,549	23,028	277,035
2009 YTD	20,762	38,018	30,601	135,836	19,176	244,393
2010 YTD as % of 2009 YTD	94	164	116	101	120	113
Last 4 weeks as % of 2009 ²	148	135	104	94	139	113
Last 4 weeks as % of 4-year avg. ²	71	103	73	80	118	85
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2009 and prior 4-year average.

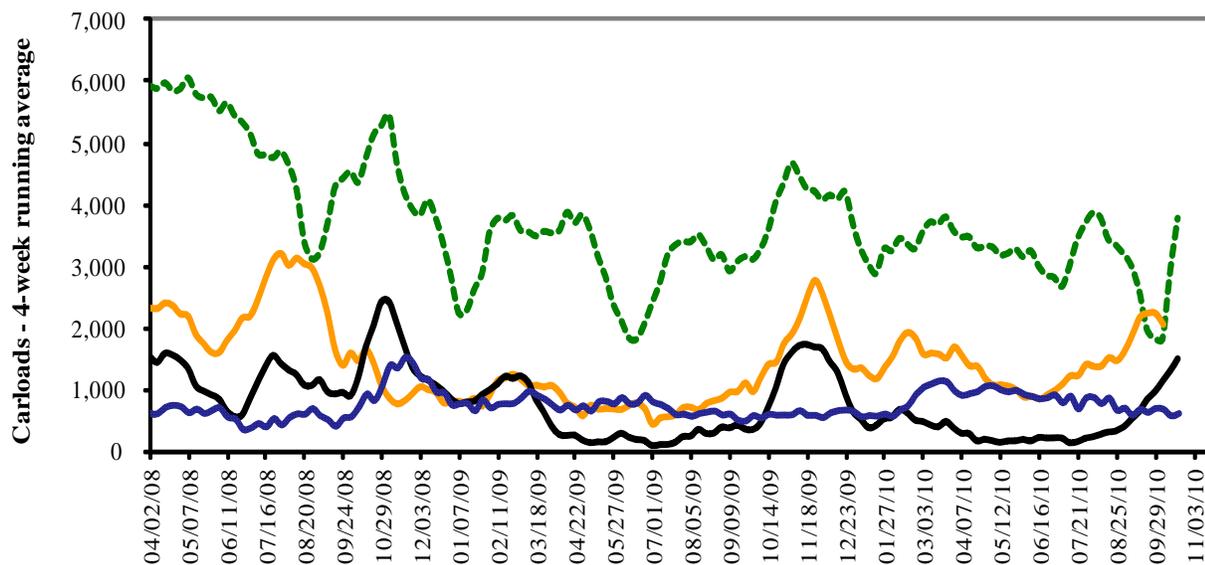
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMSUSDA

Railroads originate approximately 35 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



- - - Pacific Northwest: 4 wks. ending 10/20-- down 6% from same period last year; down 20% from 4-year average
— Texas Gulf: 4 wks. ending 10/20-- up 35% from same period last year; up 3% from 4-year average
— Miss. River: 4 wks. ending 10/20 -- up 48% from same period last year; down 29% from 4-year average
— Cross-border Mexico: 4 wks. ending 10/20-- up 4% from same period last year; down 27% from 4-year average

Source: Transportation & Marketing Programs/AMSUSDA

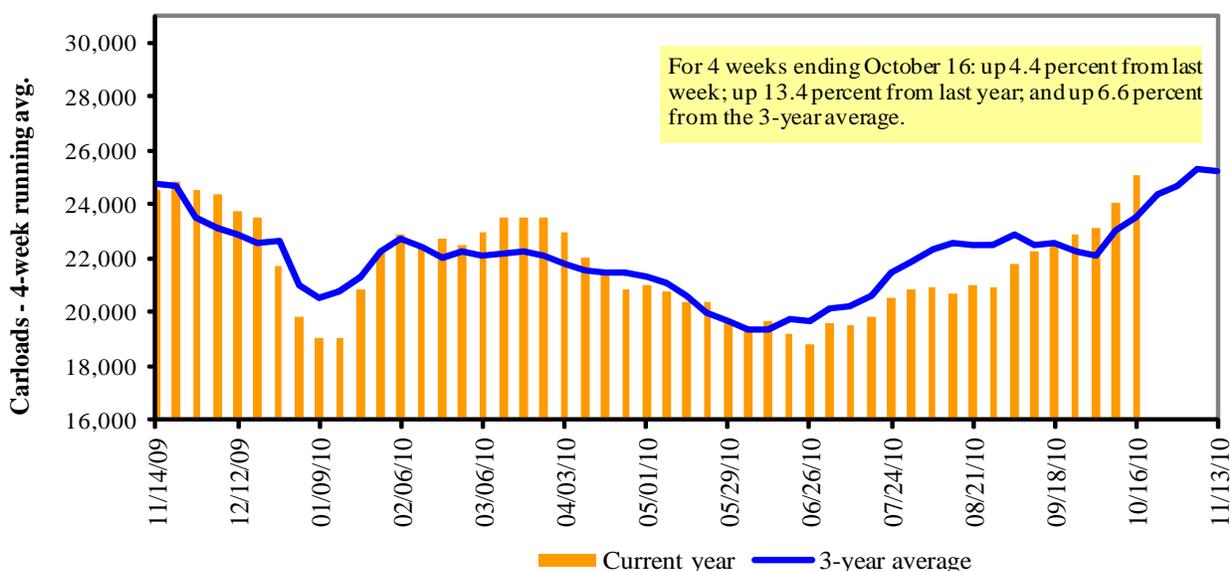
Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
10/16/10	2,685	3,602	12,804	930	7,726	27,747	4,725	5,517
This week last year	2,062	3,006	10,182	998	6,776	23,024	3,503	5,733
2010 YTD	86,473	123,682	423,533	28,709	226,874	889,271	158,444	211,462
2009 YTD	79,766	106,764	369,430	27,984	203,105	787,049	158,910	222,812
2010 YTD as % of 2009 YTD	108	116	115	103	112	113	100	95
Last 4 weeks as % of 2009 ¹	141	127	109	95	110	113	103	86
Last 4 weeks as % of 3-yr avg. ¹	114	116	103	108	106	107	87	89
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

¹As a percent of the same period in 2008 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3**Total Weekly U.S. Class I Railroad Grain Car Loadings**

Source: Association of American Railroads

Table 5

Rail Car Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Nov-10	Nov-09	Dec-10	Dec-09	Jan-11	Jan-10	Feb-11	Feb-10
10/23/2010								
BNSF ³								
COT grain units	no offer	no offer	no offer	0	no offer	0	no offer	0
COT grain single-car ⁵	no offer	no offer	no offer	no bids	no offer	0..2	2	0..2
UP ⁴								
GCAS/Region 1	no offer	1	no bids	1	no bids	no bids	n/a	no offer
GCAS/Region 2	no bids	no bids	no bids	no bids	no bids	no bids	n/a	no offer

¹Auction offerings are for single-car and unit train shipments only.

²Average premium/discount to tariff, last auction

³BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

⁴UP - GCAS = Grain Car Allocation System

 Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

 Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

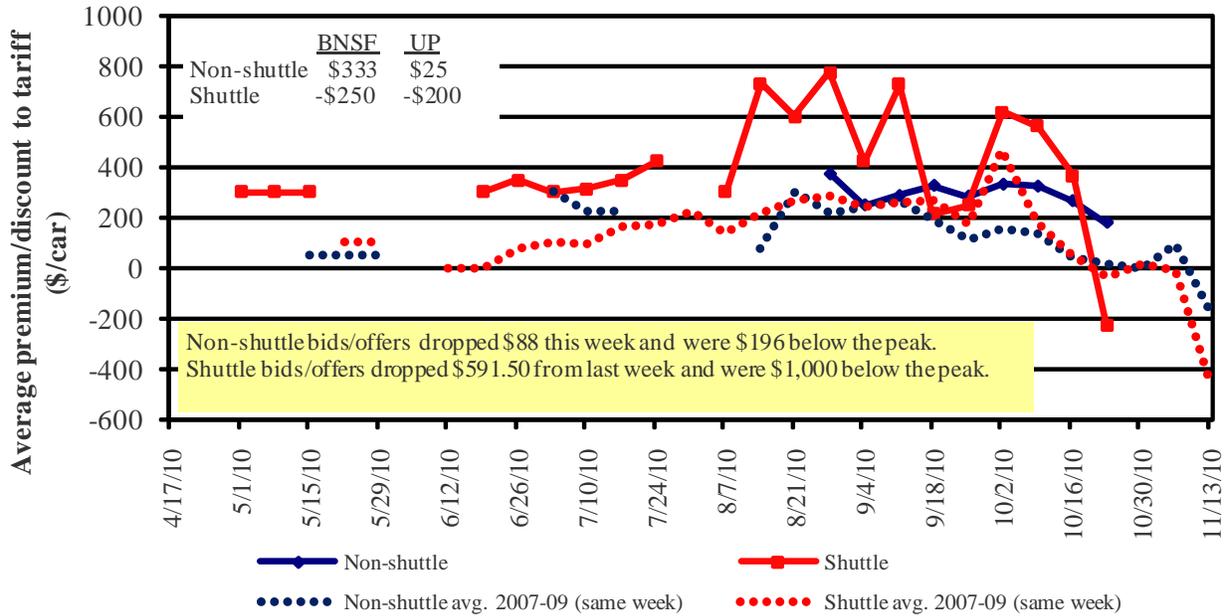
⁵Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in November 2010, Secondary Market

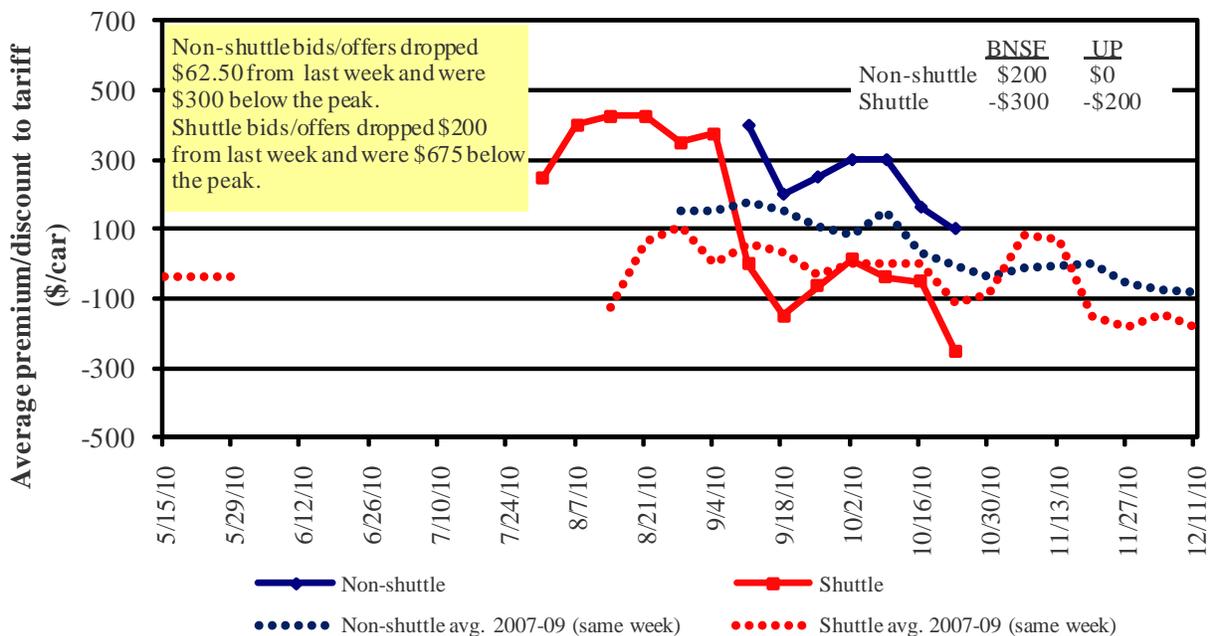


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in December 2010, Secondary Market

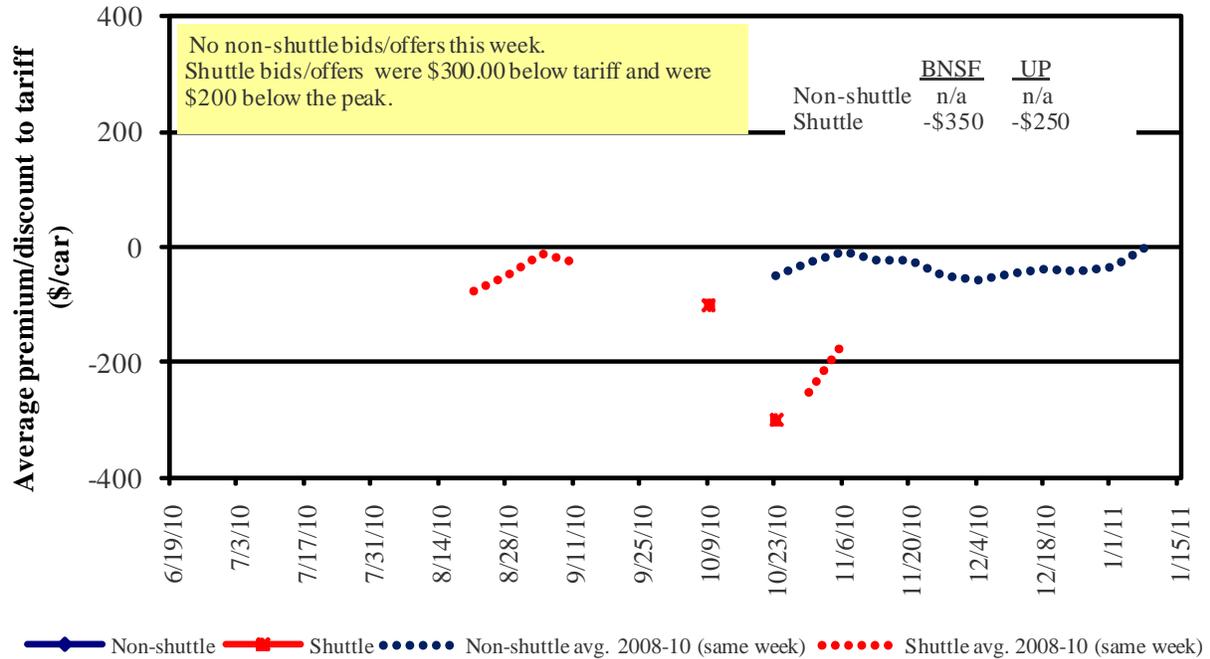


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in January 2011, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market (\$/car)¹

Week ending	Delivery period					
	Nov-10	Dec-10	Jan-10	Feb-10	Mar-10	Apr-10
10/23/2010						
Non-shuttle						
BNSF-GF	333	200	n/a	n/a	n/a	n/a
Change from last week	(51)	(25)	n/a	n/a	n/a	n/a
Change from same week 2009	308	n/a	n/a	n/a	n/a	n/a
UP-Pool	25	-	n/a	n/a	n/a	n/a
Change from last week	(125)	(100)	n/a	n/a	n/a	n/a
Change from same week 2009	(8)	(50)	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(250)	(300)	(350)	n/a	n/a	-800
Change from last week	(783)	n/a	n/a	n/a	n/a	n/a
Change from same week 2009	(625)	(354)	n/a	n/a	n/a	n/a
UP-Pool	(200)	(200)	(250)	n/a	n/a	n/a
Change from last week	(400)	(150)	n/a	n/a	n/a	n/a
Change from same week 2009	(412)	(200)	n/a	n/a	n/a	n/a

¹Average premium/discount to tariff, \$/car-last week

²Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:						
10/4/2010	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:	
					metric ton	bushel ²
Unit train						
Wheat	Wichita, KS	St. Louis, MO	\$2,774	\$91	\$28.45	\$0.77
	Grand Forks, ND	Duluth-Superior, MN	\$2,563	\$128	\$26.72	\$0.73
	Wichita, KS	Los Angeles, CA	\$5,047	\$658	\$56.65	\$1.54
	Wichita, KS	New Orleans, LA	\$3,275	\$160	\$34.11	\$0.93
	Sioux Falls, SD	Galveston-Houston, TX	\$4,981	\$540	\$54.83	\$1.49
	Northwest KS	Galveston-Houston, TX	\$3,543	\$176	\$36.93	\$1.01
	Amarillo, TX	Los Angeles, CA	\$3,742	\$244	\$39.59	\$1.08
Corn	Champaign-Urbana, IL	New Orleans, LA	\$2,812	\$181	\$29.72	\$0.81
	Toledo, OH	Raleigh, NC	\$3,760	\$208	\$39.40	\$1.07
	Des Moines, IA	Davenport, IA	\$1,843	\$38	\$18.68	\$0.51
	Indianapolis, IN	Atlanta, GA	\$3,196	\$156	\$33.29	\$0.91
	Indianapolis, IN	Knoxville, TN	\$2,760	\$100	\$28.40	\$0.77
	Des Moines, IA	Little Rock, AR	\$2,938	\$113	\$30.29	\$0.82
	Des Moines, IA	Los Angeles, CA	\$4,372	\$328	\$46.67	\$1.27
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,316	\$164	\$34.56	\$0.94
	Toledo, OH	Huntsville, AL	\$2,921	\$148	\$30.47	\$0.83
	Indianapolis, IN	Raleigh, NC	\$3,830	\$209	\$40.11	\$1.09
	Indianapolis, IN	Huntsville, AL	\$2,613	\$100	\$26.94	\$0.73
	Champaign-Urbana, IL	New Orleans, LA	\$3,156	\$181	\$33.14	\$0.90
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	\$2,868	\$378	\$32.24	\$0.88
	Wichita, KS	Galveston-Houston, TX	\$2,867	\$295	\$31.40	\$0.85
	Chicago, IL	Albany, NY	\$3,497	\$195	\$36.66	\$1.00
	Grand Forks, ND	Portland, OR	\$4,131	\$654	\$47.51	\$1.29
	Grand Forks, ND	Galveston-Houston, TX	\$5,046	\$681	\$56.87	\$1.55
	Northwest KS	Portland, OR	\$4,510	\$288	\$47.64	\$1.30
Corn	Minneapolis, MN	Portland, OR	\$3,920	\$796	\$46.83	\$1.27
	Sioux Falls, SD	Tacoma, WA	\$3,920	\$729	\$46.17	\$1.26
	Champaign-Urbana, IL	New Orleans, LA	\$2,677	\$181	\$28.38	\$0.77
	Lincoln, NE	Galveston-Houston, TX	\$2,800	\$425	\$32.02	\$0.87
	Des Moines, IA	Amarillo, TX	\$3,330	\$142	\$34.48	\$0.94
	Minneapolis, MN	Tacoma, WA	\$3,920	\$789	\$46.77	\$1.27
Soybeans	Council Bluffs, IA	Stockton, CA	\$3,400	\$817	\$41.87	\$1.14
	Sioux Falls, SD	Tacoma, WA	\$4,320	\$729	\$50.14	\$1.36
	Minneapolis, MN	Portland, OR	\$4,270	\$796	\$50.31	\$1.37
	Fargo, ND	Tacoma, WA	\$4,270	\$648	\$48.84	\$1.33
	Council Bluffs, IA	New Orleans, LA	\$3,510	\$209	\$36.93	\$1.01
	Toledo, OH	Huntsville, AL	\$2,536	\$148	\$26.65	\$0.73
	Grand Island, NE	Portland, OR	\$4,420	\$295	\$46.82	\$1.27

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 90-110 cars that meet railroad efficiency requirements.

²Approximate load per car = 111 short tons (100.7 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

³Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

*Regional economic areas defined by the Bureau of Economic Analysis (BEA)

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ bushel ³		
Wheat	MT	Chihuahua, CI	\$6,705	\$750	\$76.18	\$2.07	12
	OK	Cuautitlan, EM	\$5,966	\$593	\$67.01	\$1.82	10
	KS	Guadalajara, JA	\$6,645	\$914	\$77.23	\$2.10	13
	TX	Salinas Victoria, NL	\$3,370	\$181	\$36.29	\$0.99	10
Corn	IA	Guadalajara, JA	\$7,050	\$859	\$80.81	\$2.20	12
	SD	Penjamo, GJ	\$6,520	\$965	\$76.48	\$2.08	3
	NE	Queretaro, QA	\$6,240	\$540	\$69.28	\$1.88	3
	SD	Salinas Victoria, NL	\$4,785	\$688	\$55.92	\$1.52	7
	MO	Tlalnepantla, EM	\$5,428	\$526	\$60.84	\$1.65	3
	SD	Torreon, CU	\$5,610	\$796	\$65.45	\$1.78	7
Soybeans	MO	Bojay (Tula), HG	\$6,103	\$745	\$69.97	\$1.90	4
	NE	Guadalajara, JA	\$6,700	\$824	\$76.88	\$2.09	7
	IA	Penjamo (Celaya), GJ	\$6,690	\$973	\$78.30	\$2.13	4
	KS	Torreon, CU	\$5,405	\$554	\$60.89	\$1.66	6
Sorghum	OK	Cuautitlan, EM	\$4,729	\$687	\$55.34	\$1.50	11
	TX	Guadalajara, JA	\$5,670	\$812	\$66.23	\$1.80	12
	NE	Penjamo, GJ	\$6,243	\$755	\$71.50	\$1.94	0
	KS	Queretaro, QA	\$5,591	\$414	\$61.36	\$1.67	4
	NE	Salinas Victoria, NL	\$4,410	\$428	\$49.43	\$1.34	3
	NE	Torreon, CU	\$5,400	\$584	\$61.15	\$1.66	5

¹Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

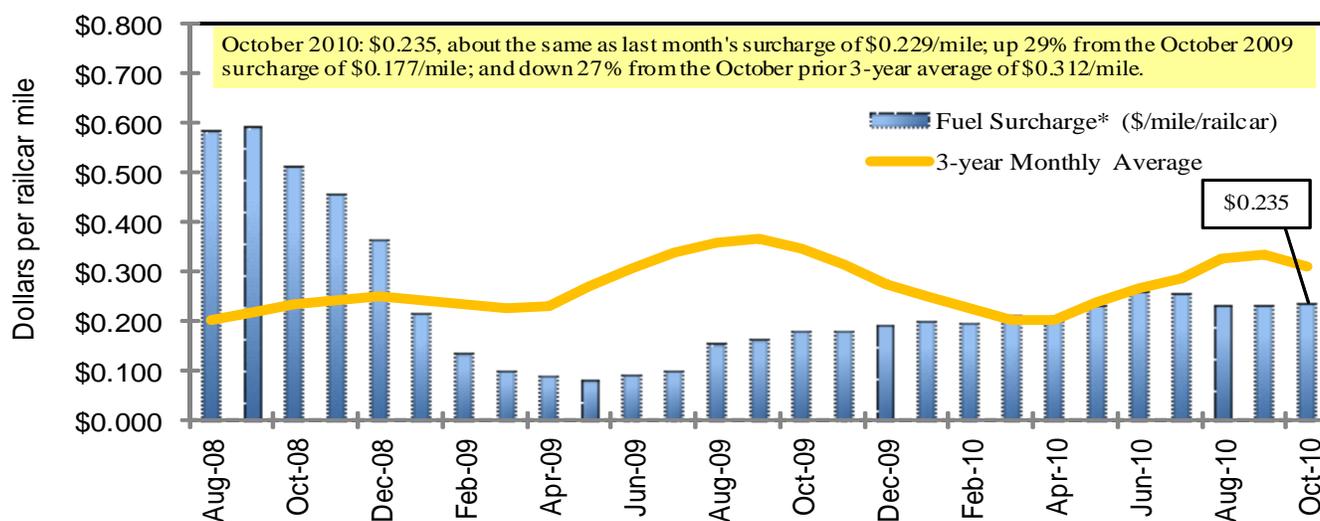
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

¹ Weighted by each Class I railroad's proportion of grain traffic for the prior year.

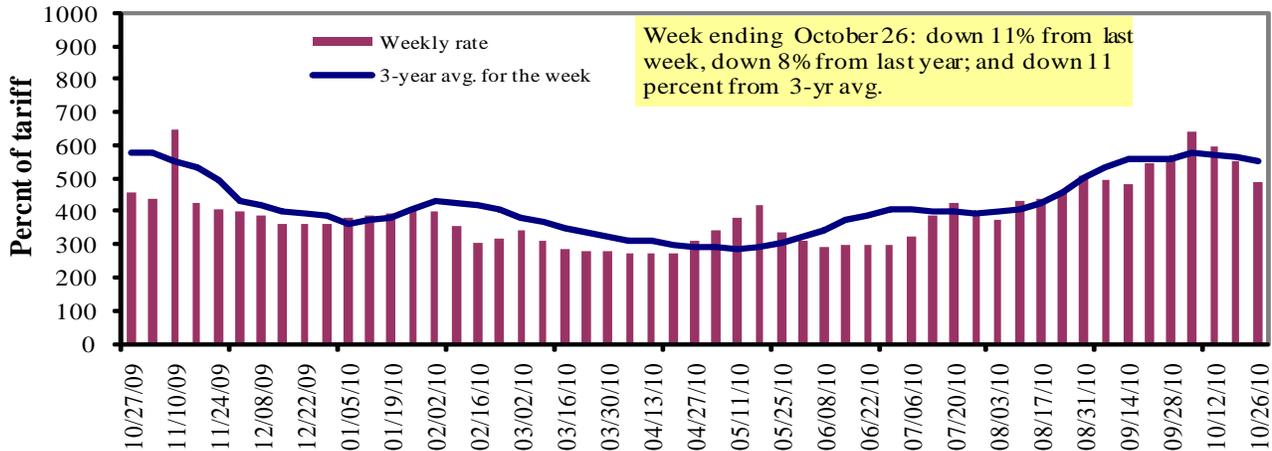
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Freight Rate^{1,2}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

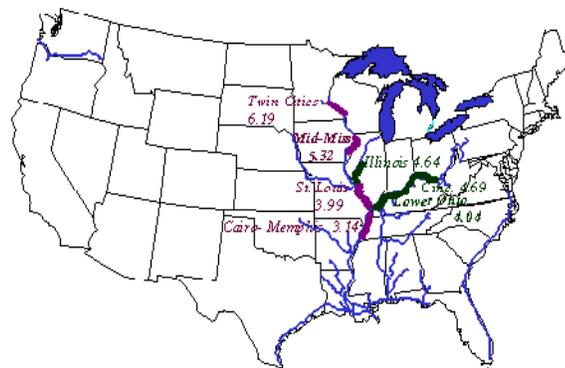
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	10/26/2010	633	541	491	475	475	475	419
	10/19/2010	731	650	553	519	596	596	491
\$/ton	10/26/2010	39.18	28.78	22.78	18.95	22.28	19.19	13.16
	10/19/2010	45.25	34.58	25.66	20.71	27.95	24.08	15.42
Current week % change from the same week:								
	Last year	37	18	8	25	-1	-1	21
	3-year avg. ²	19	1	-11	-7	-21	-21	-21
Rate¹	November	583	446	433	369	431	431	325
	January	-	-	409	301	363	363	275

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates



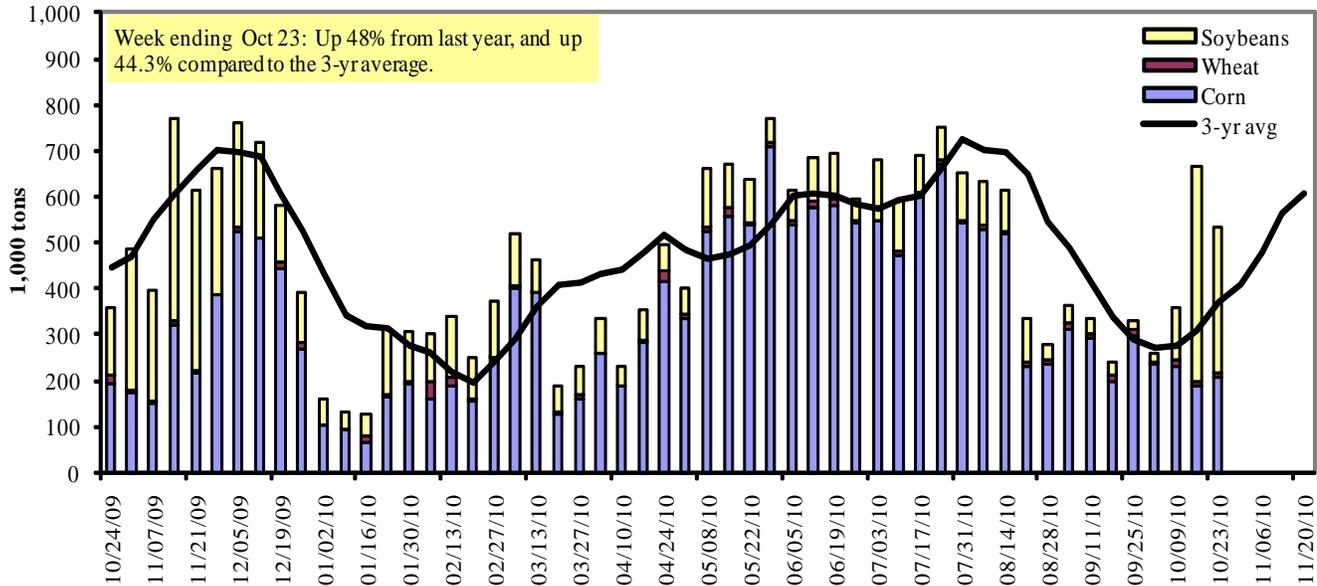
Calculating barge rate per ton:

(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)



¹ The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrirmi/omni/webbrpts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 10/23/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	113	8	219	17	357
Winfield, MO (L25)	119	8	239	6	372
Alton, IL (L26)	197	8	289	14	508
Granite City, IL (L27)	210	8	314	14	545
Illinois River (L8)	42	0	32	0	74
Ohio River (L52)	43	0	129	0	172
Arkansas River (L1)	1	7	40	4	52
Weekly total - 2010	254	15	483	18	770
Weekly total - 2009	320	29	252	4	605
2010 YTD ¹	19,000	1,069	7,119	389	27,578
2009 YTD	19,530	1,330	6,636	342	27,838
2010 as % of 2009 YTD	97	80	107	114	99
Last 4 weeks as % of 2009 ²	97	57	308	84	151
Total 2009	23,424	1,501	10,465	430	35,819

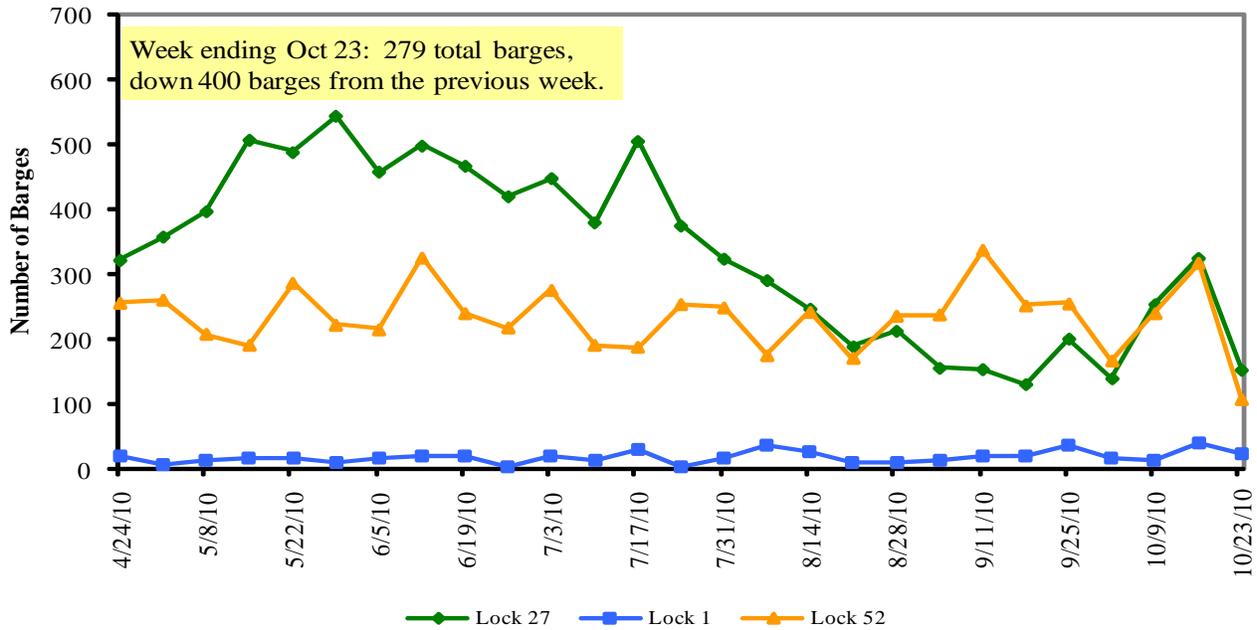
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

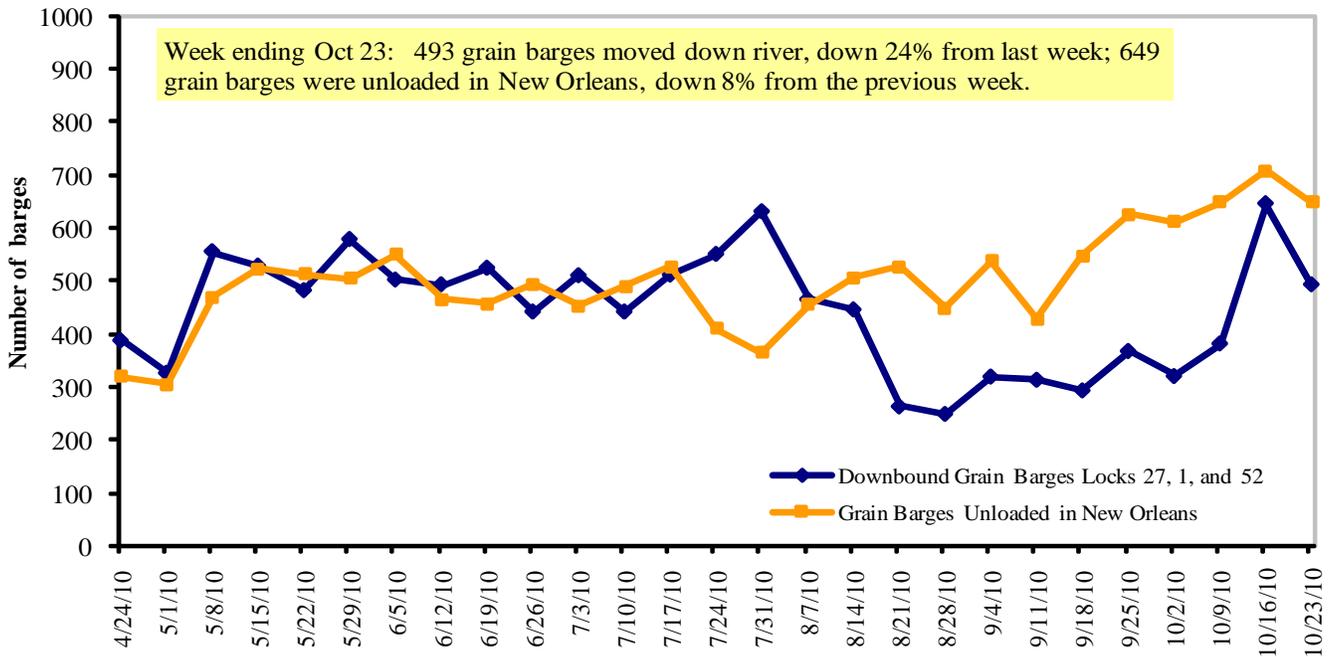
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrirmi/omni/webbrpts/default.asp)

Figure 11
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12
Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices¹, Week Ending 10/25/2010 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.064	-0.008	0.245
	New England	3.136	-0.004	0.293
	Central Atlantic	3.180	-0.008	0.257
	Lower Atlantic	3.008	-0.008	0.235
II	Midwest ²	3.048	-0.015	0.258
III	Gulf Coast ³	2.985	0.006	0.245
IV	Rocky Mountain	3.128	0.016	0.352
V	West Coast	3.243	-0.006	0.339
	California	3.229	-0.003	0.261
Total	U.S.	3.067	-0.006	0.266

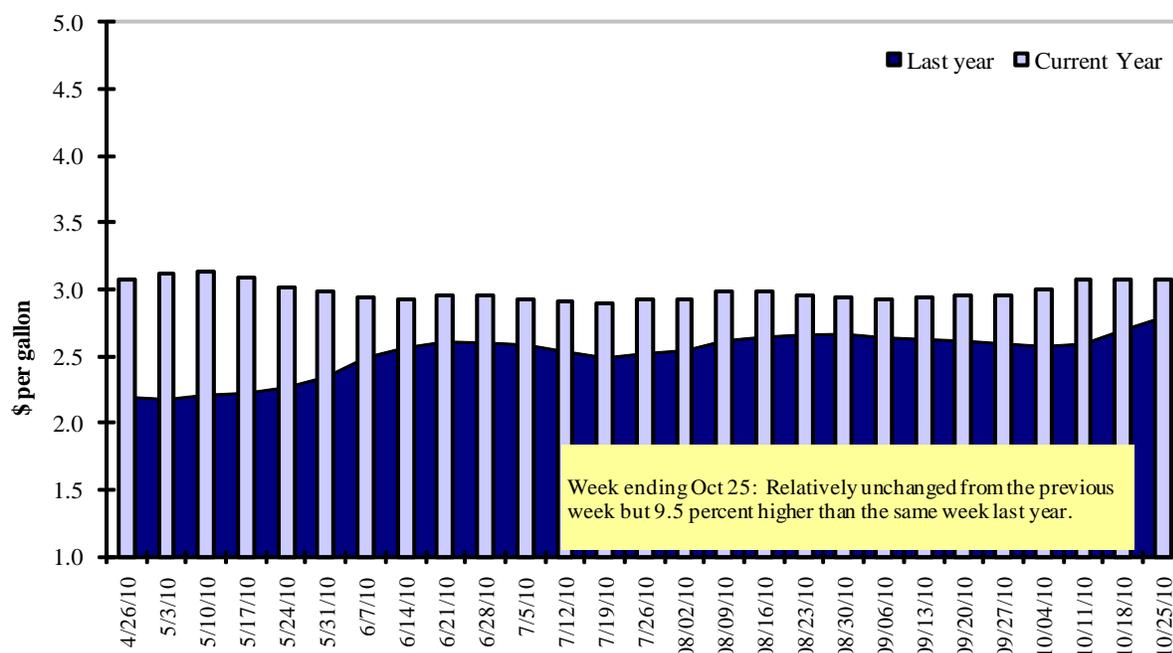
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

Week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances¹									
10/14/2010	3,531	546	2,029	1,220	211	7,536	13,247	20,760	41,543
This week year ago	1,252	589	1,008	995	385	4,229	10,584	19,708	34,521
Cumulative exports-marketing year²									
2010/11 YTD	5,363	734	3,004	1,820	401	11,321	5,938	4,569	21,828
2009/10 YTD	3,130	1,373	1,967	1,544	384	8,399	6,335	2,552	17,286
YTD 2010/11 as % of 2009/10	171	53	153	118	104	135	94	179	126
Last 4 wks as % of same period 2008/09	287	94	211	124	56	182	130	104	121
2009/10 Total	8,458	2,733	5,329	3,897	983	21,400	47,700	39,285	108,385
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981

¹ Current unshipped export sales to date

² Shipped export sales to date; the new marketing year now in effect for corn and soybeans

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers¹ of U.S. Corn

Week ending 10/14/10	Total Commitments ²		% change current MY from last MY	Exports ³ 2009/10
	2010/11 Current MY	2009/10 Last MY		
- 1,000 mt -				
Japan	5,590	4,341	29	14,343
Mexico	3,004	2,970	1	7,999
Korea ⁴	1,482	2,489	(40)	7,562
Taiwan	768	935	(18)	2,949
Egypt	1,294	613	111	2,935
Top 5 importers	12,137	11,348	7	35,788
Total US corn export sales	19,186	16,919	13	48,405
% of Projected	38%	34%		
Change from Last Week	213	235		
Top 5 importers' share of U.S. corn export sales				
	63%	67%		
USDA forecast, October 2010	50,800	50,470	1	
Corn Use for Ethanol USDA forecast, Ethanol October 2010				
	119,380	115,824	3	

(n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

⁴Not included - FAS Press Release: 120,000 mt on 10/22 to S. Korea for 2010/11.

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 10/14/10	Total Commitments ²		% change current MY from last MY	Exports ³ 2009/10
	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -			- 1,000 mt -
China ⁴	9,118	13,430	(32)	22,454
Mexico	1,077	803	34	3,276
Japan	922	989	(7)	2,347
EU-25	427	532	(20)	2,647
Taiwan	510	576	(11)	1,556
Top 5 importers	12,055	16,330	(26)	32,280
Total US soybean export sales⁵	25,329	22,260	14	34,930
% of Projected	61%	55%		
Change from last week	1,996	987		
Top 5 importers' share of U.S. soybean export sales	48%	73%		
USDA forecast, October 2010	41,370	40,770	1	
Soybean Use for Biodiesel USDA forecast, October 2010	6,954	4,076	71	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.⁴Not included - FAS Press Release: .592 mmt (.24 mmt on 10/15; .12 mmt on 10/18; and .232 mmt on 10/25) to China for 2010/11.⁵Not included - FAS Press Release: .444 mmt (.279 mmt on 10/15 and .165 mmt on 10/22) to Unknown for 2010/11.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 10/14/2010	Total Commitments ²		% change current MY from last MY	Exports ³ 2009/10
	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,854	1,710	8	3,233
Japan	1,831	1,580	16	3,148
Mexico	1,462	1,054	39	1,975
Philippines	1,461	1,004	46	1,518
Korea, South	1,013	652	55	1,111
Taiwan	399	430	(7)	844
Venezuela	269	272	(1)	658
Colombia	425	378	12	575
Peru	588	329	79	567
Egypt	1,639	424	287	529
Top 10 importers	10,939	7,832	40	14,156
Total US wheat export sales	18,857	12,628	49	23,980
% of Projected	55%	53%		
Change from last week	574	628		
Top 10 importers' share of U.S. wheat export sales	58%	62%		
USDA forecast, October 2010	34,020	23,980	42	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 10/21/10	2010 YTD ¹	2009 YTD ¹	2010 YTD as % of 2009 YTD	Last 4-weeks as % of		Total ¹ 2009
					2009	3-yr. avg.	
Pacific Northwest							
Wheat	236	9,166	8,320	110	104	102	10,091
Corn	2	8,340	7,161	116	37	33	8,498
Soybeans	683	6,709	5,833	115	141	134	9,743
Total	920	24,215	21,314	114	113	108	28,332
Mississippi Gulf							
Wheat	102	3,289	3,361	98	147	61	4,019
Corn	449	24,727	24,857	99	115	104	28,843
Soybeans	901	14,108	13,750	103	186	198	21,831
Total	1,452	42,123	41,969	100	144	129	54,693
Texas Gulf							
Wheat	221	7,417	4,657	159	160	118	5,735
Corn	1	1,450	1,610	90	59	88	1,968
Soybeans	115	991	818	121	92	266	2,402
Total	337	9,858	7,085	139	125	132	10,105
Great Lakes							
Wheat	23	1,409	735	192	146	111	990
Corn	0	71	279	26	77	53	353
Soybeans	21	284	259	110	150	147	781
Total	44	1,764	1,273	139	144	121	2,124
Atlantic							
Wheat	0	271	548	49	81	55	552
Corn	0	357	343	104	44	51	472
Soybeans	33	787	510	154	211	290	1,268
Total	33	1,415	1,402	101	75	74	2,292
U.S. total from ports²							
Wheat	581	21,552	17,622	122	130	98	21,387
Corn	451	34,944	34,250	102	99	92	40,134
Soybeans	1,753	22,879	21,170	108	158	171	36,025
Total	2,786	79,376	73,042	109	130	121	97,546

¹ Includes weekly revisions, some regional totals may not add exactly due to rounding.

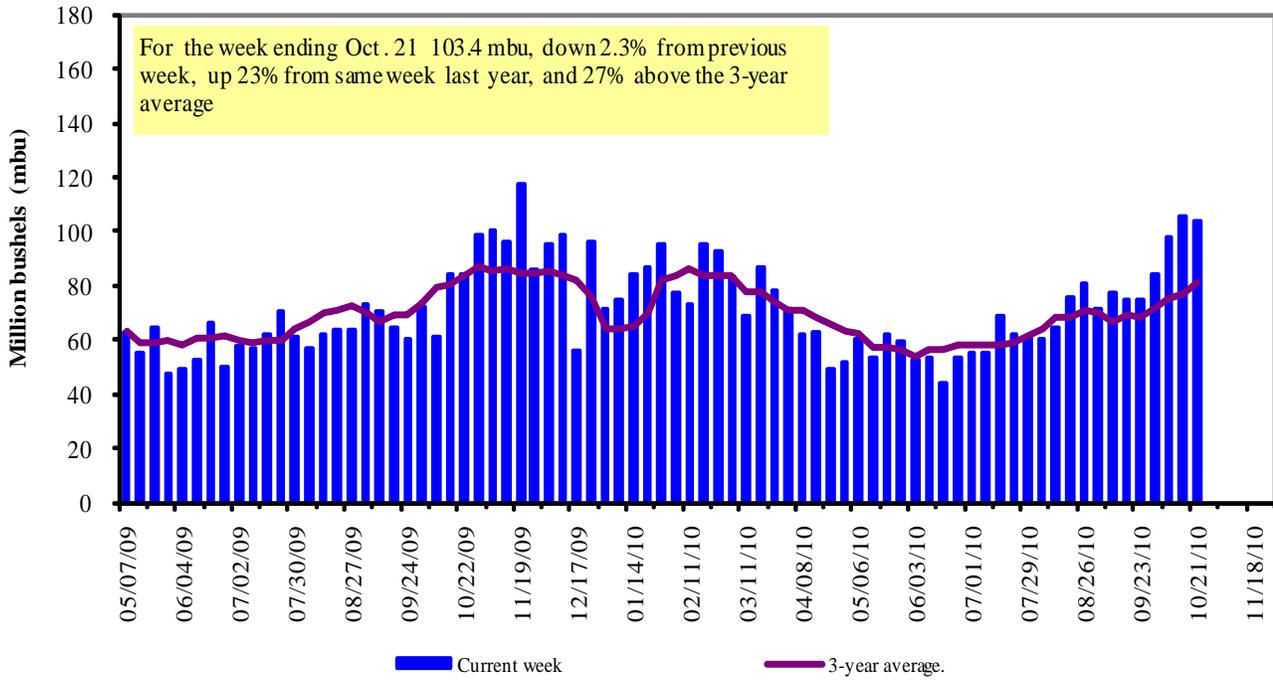
² Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 62 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2009.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

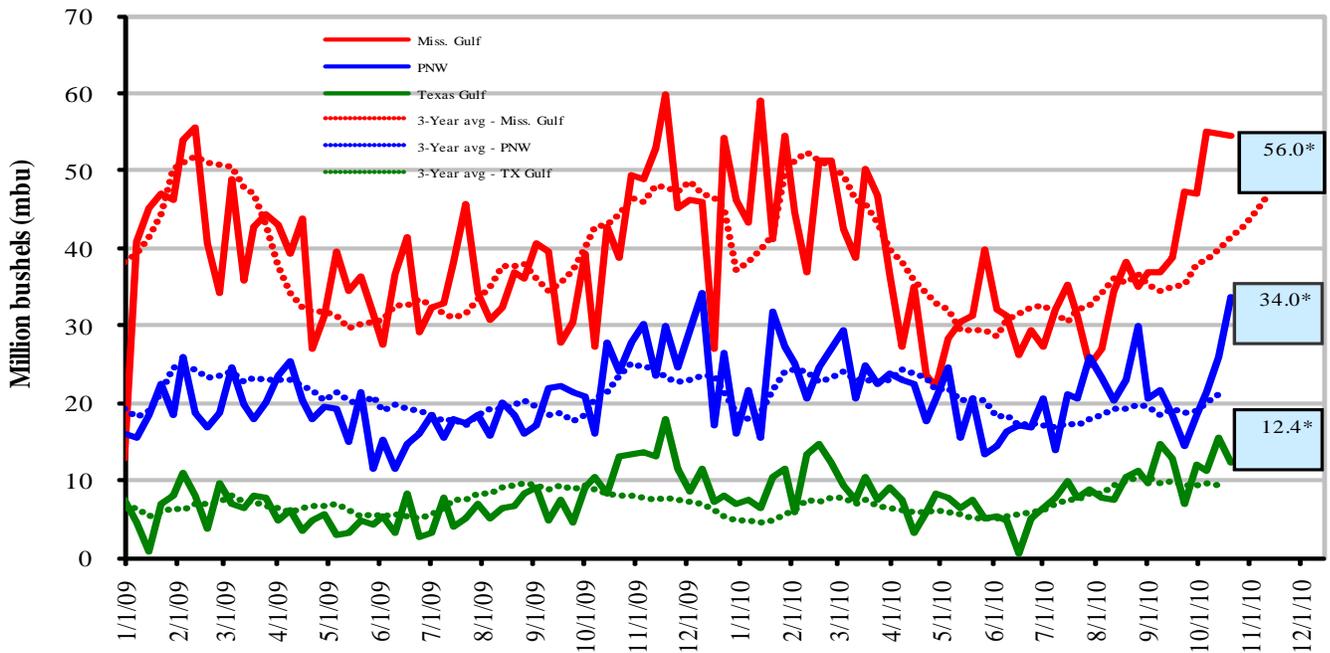


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

<u>Oct 21, % change from:</u>	<u>MS Gulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	down 20	down 39	down 5	up 30
Last year (same week)	up 41	down 7	up 29	up 40
3-yr avg. (4-wk mov. avg.)	up 32	up 27	up 31	up 22

Ocean Transportation

Table 17

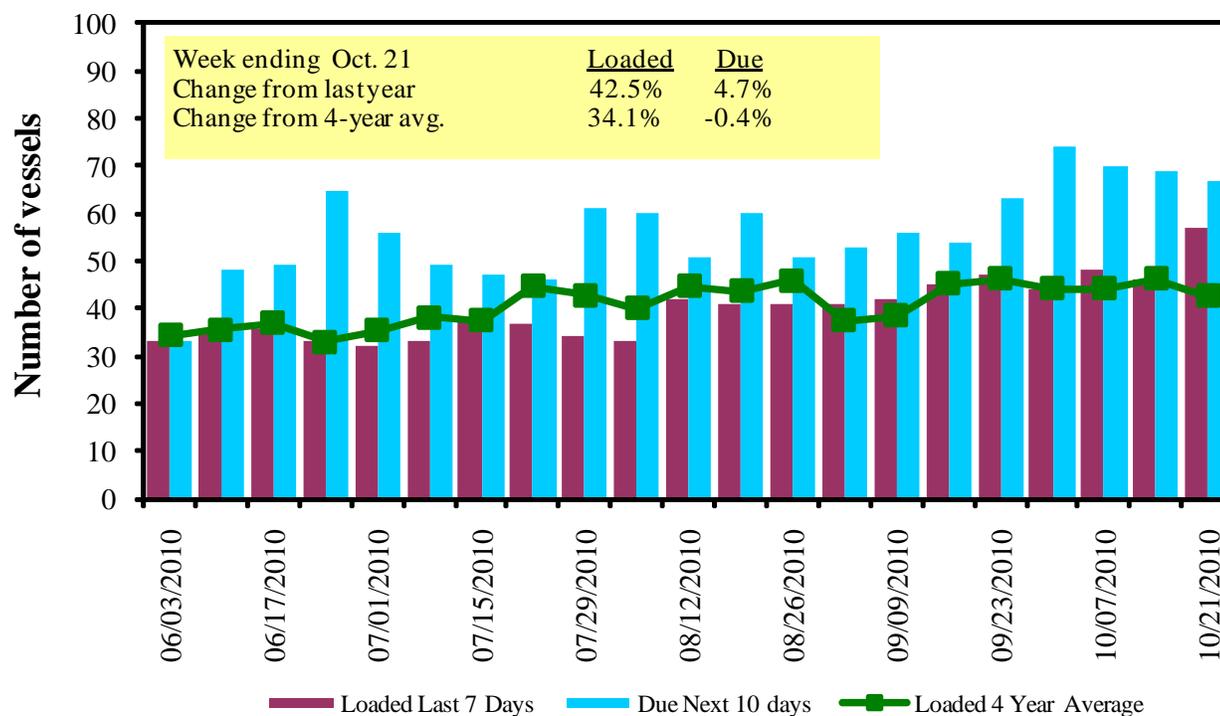
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
10/21/2010	42	57	67	11	16
10/14/2010	42	46	69	9	11
2009 range	(18..72)	(21..57)	(37..86)	(2..19)	(3..19)
2009 avg.	37	39	55	10	9

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

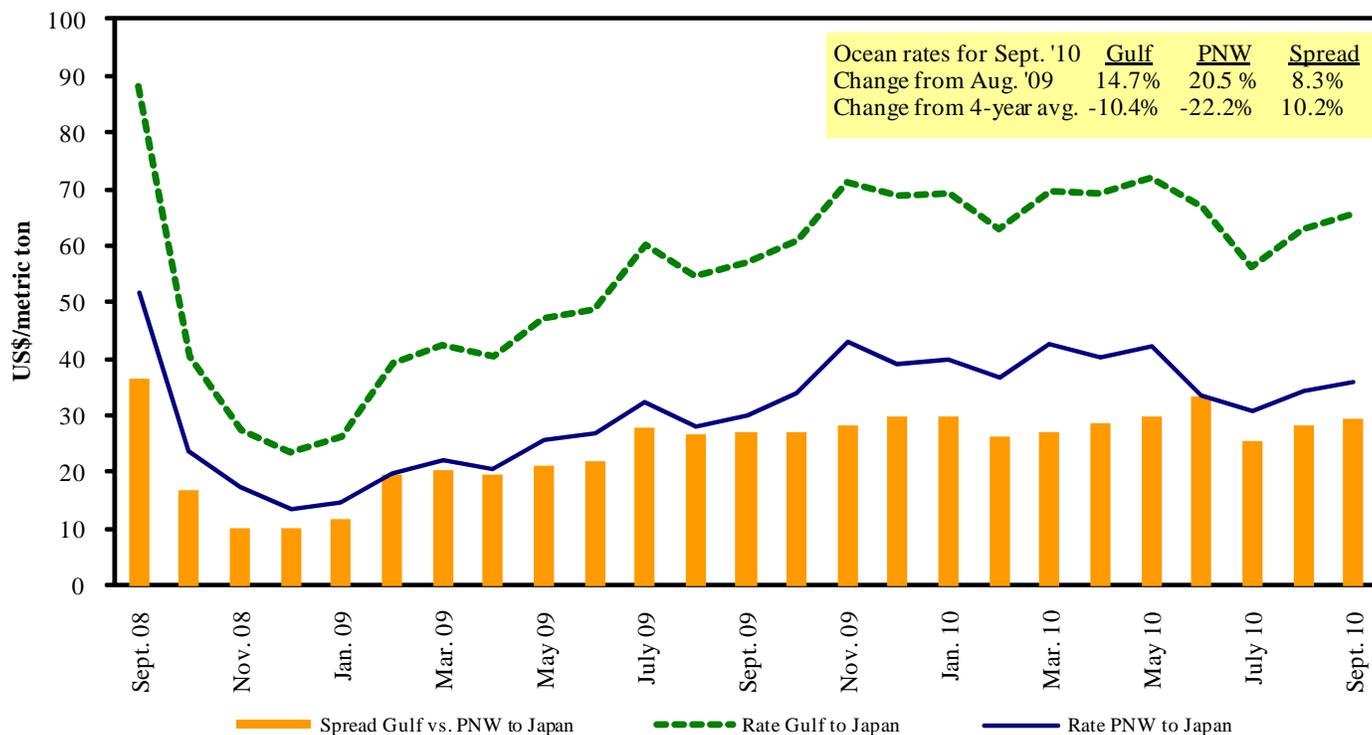


Source: Transportation & Marketing Programs/AMS/USDA

¹U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

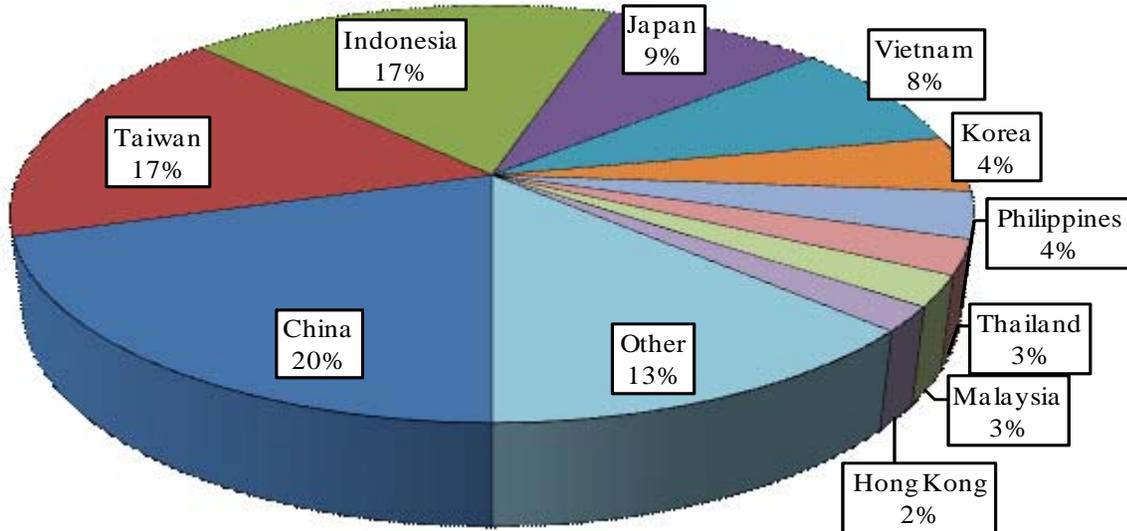
Ocean Freight Rates For Selected Shipments, Week Ending 10/23/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Oct 22/30	55,000	57.00
U.S. Gulf	China	Heavy Grain	Oct 15/30	55,000	57.00
U.S. Gulf	China	Heavy Grain	Oct 16/25	55,000	57.00
U.S. Gulf	China	Heavy Grain	Oct 14/23	55,000	61.50
U.S. Gulf	China	Heavy Grain	Oct 15/25	55,000	62.00
U.S. Gulf	China	Heavy Grain	Oct 15/25	55,000	58.75
U.S. Gulf	China	Heavy Grain	Oct 1/10	54,000	64.00
U.S. Gulf	N. China	Heavy Grain	Oct 1/10	55,000	63.50
U.S. Gulf	N. China	Heavy Grain	Oct 1/25	55,000	63.50
U.S. Gulf	Egypt Med	Heavy Grain	Sep 5/10	55,000	42.00
U.S. Gulf	Portugal	Soybeanmeal	Oct 29/Nov 10	24,000	36.00
U.S. Gulf	South Africa	Wheat	Aug 20/30	25,000	59.50
U.S. PNW	Bangladesh ¹	Wheat	Aug 20/30	24,590	92.00
St. Lawrence	Morocco	Wheat	Aug 25/30	25,000	29.75
Brazil	Algeria	Corn	Oct 15/20	25,000	36.00
Brazil	Morocco	Heavy Grain	Oct 3/5	26,000	36.75
Brazil	Spain	Corn	Aug 10/15	25,000	31.50

In 2009, containers were used to transport 5 percent of total waterborne grain exports, and 6 percent of U.S. grain exports to Asia.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, July 2010

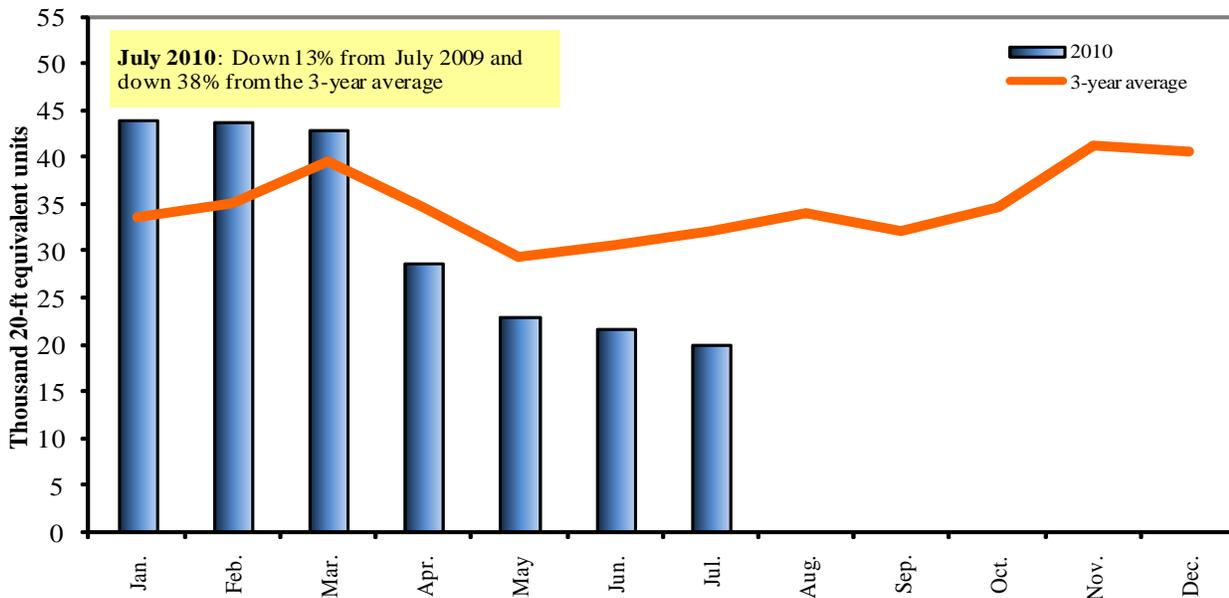


Source: Port Import Export Reporting Service (PIERS)

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements (recently added codes are highlighted in bold type): 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, **230330**, and **120810**.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements (recently added codes are highlighted in bold type): 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, **230330**, and **120810**.

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